



121 Alhambra Plaza | Suite 1700  
Coral Gables, FL 33134  
Office: (305) 764-3200  
Fax: (305) 529-6686

March 31, 2015

Mr. Mark Ozenick  
President & CEO  
Aero Mechanical Industries  
4901 Rockaway Blvd. NE  
Rio Rancho, NM 87124

RE: Letter of Intent to Purchase Aero Mechanical Industries.

Dear Mr. Ozenick,

Following our recent discussions regarding the potential acquisition of Aero Mechanical Industries, we acknowledge that any potential transaction must occur quickly to preserve value. As such, AerSale is prepared to complete a transaction under the following basic terms and conditions ("LOI"):

**Sellers:** All shareholders of Aero Mechanical Industries, Inc.

**Buyer:** AerSale, Inc., a Florida corporation ("AerSale")

**Subject of Purchase:** All (100%) of the newly issued and outstanding shares of stock of Aero Mechanical Industries, Inc., a New Mexico corporation ("AMI"), and to include all subsidiaries, all assets, governmental licenses, approvals and related rights, and intellectual property rights, each of which to be free and clear of any liens and encumbrances, but to exclude the liabilities of AMI preceding the chapter 11 filing referenced below, except for any such liability either satisfied as part of the transaction or as specifically agreed to be assumed by Buyer. For the sake of clarity, neither AMI nor Buyer shall have any liability in connection with the promissory note with balance outstanding in the amount of approximately \$1.544 million in favor of BB&T.

**Purchase Price:** The total purchase is One Million Five Hundred Thousand US Dollars (\$1,500,000).

**Conditions Precedent:** The Purchase Price was determined without the benefit of complete due diligence on AMI and is based on the following assumptions at closing:

- All current and long term liabilities which includes trade payables, loans, notes, taxes and other related party debts shall be liquidated from the sale

proceeds, allowing the Company to be free and clear of all such liabilities, debts, security interests, encumbrances and liens.

- All non-current trade or other payables shall be settled out of the Purchase Price proceeds, with full releases from each creditor as part of the Plan.
- All tooling and equipment of AMI wherever located shall be free and clear of any liens or encumbrances, have not been transferred to any other party, and will remain with AMI post-closing.
- The existing shareholders will provide AerSale with an irrevocable proxy/power-of-attorney to vote their shares of stock for so long as the transaction contemplated by this LOI is pending.
- The transaction contemplated by this LOI shall have closed within 120 days of the date of this LOI, and after the Court's confirmation order with respect to the Plan and Disclosure Statement shall have become a final order.

**Chapter 11**  
**Filing:**

With the Sellers' consent following execution of this LOI, AMI shall be placed into Chapter 11 bankruptcy in the appropriate U.S. Bankruptcy Court covering debtors located in Albuquerque, New Mexico (the "**Court**").

**DIP Loan:**

Simultaneous with the filing of such Chapter 11 proceeding, AMI as debtor-in-possession shall seek bankruptcy court approval to obtain an emergency debtor-in-possession loan from AerSale, in the maximum amount of One Million Dollars (\$1,000,000) ("**DIP Loan**"). The DIP Loan shall establish a super-priority administrative claim of AerSale against all of the debtor's assets and having priority over all other claims against such assets, and shall bear a compound interest rate of twelve percent (12%) per annum. The proceeds of such loan shall be used to extinguish any pre-existing liens against the Seller's assets, including any liens in favor of BB&T and/or the Internal Revenue Service. The balance of the DIP Loan shall be used for general corporate purposes to enable AMI to exit bankruptcy pursuant to the terms of this LOI. No funds shall be available to the debtor except as provided in the DIP Loan agreement.

**Plan of**  
**Reorganization:**

AMI's Plan of Reorganization (the "**Plan**") and related Disclosure Statement (and any subsequent amendments thereto) shall be consistent with the intent of this LOI, and shall be subject to AerSale's review and approval prior to

filing. The Plan and Disclosure Statement shall be filed with the bankruptcy court as soon as is reasonably practical. Under the terms of the Plan, upon the Plan Confirmation becoming a final and non-appealable order of the Court, AMI (and, in turn, the relevant creditors as to their relevant portion) shall receive the Purchase Price, less any amounts advanced by AerSale as the DIP Lender plus accrued interest and other amounts then owed under the DIP Loan. AMI as debtor-in-possession shall use its best efforts to solicit approval of such Plan by the creditors. The date of such funding under the Plan shall be deemed the Effective Date for bankruptcy purposes.

**Documentation:**

Buyer's counsel shall prepare transaction documents reflecting the terms of this LOI and other matters not covered hereby, such documents and this LOI to be governed by New York law. Each party will bear its own expenses in connection with this proposed transaction.

Mark, I have intentionally kept the scope of this LOI basic to determine quickly whether these concepts and pricing will realistically yield a positive result for all concerned. As we get feedback and further information from due diligence, we will add terms and conditions as appropriate, knowing that time is of the essence to conclude a successful transaction. This LOI supersedes the Preliminary Term Sheet dated March 25, 2015, among AerSale, AMI, and Newport Aviation, Inc. If this LOI correctly sets forth our mutual understanding, please indicate your acceptance by executing in the place provided below and returning to the undersigned.

Very truly yours,



Nicolas Finazzo  
Chief Executive Officer

***Agreed to & Accepted by:***

**Aero Mechanical Industries, Inc.**



Mark Ozenick  
President & CEO

Date: *31 MAR 15*

**Newport Aviation, Inc.**

By: \_\_\_\_\_  
Seth Hall  
President  
Date:

filing. The Plan and Disclosure Statement shall be filed with the bankruptcy court as soon as is reasonably practical. Under the terms of the Plan, upon the Plan Confirmation becoming a final and non-appealable order of the Court, AMI (and, in turn, the relevant creditors as to their relevant portion) shall receive the Purchase Price, less any amounts advanced by AerSale as the DIP Lender plus accrued interest and other amounts then owed under the DIP Loan. AMI as debtor-in-possession shall use its best efforts to solicit approval of such Plan by the creditors. The date of such funding under the Plan shall be deemed the Effective Date for bankruptcy purposes.

**Documentation:** Buyer's counsel shall prepare transaction documents reflecting the terms of this LOI and other matters not covered hereby, such documents and this LOI to be governed by New York law. Each party will bear its own expenses in connection with this proposed transaction.

Mark, I have intentionally kept the scope of this LOI basic to determine quickly whether these concepts and pricing will realistically yield a positive result for all concerned. As we get feedback and further information from due diligence, we will add terms and conditions as appropriate, knowing that time is of the essence to conclude a successful transaction. This LOI supersedes the Preliminary Term Sheet dated March 25, 2015, among AerSale, AMI, and Newport Aviation, Inc. If this LOI correctly sets forth our mutual understanding, please indicate your acceptance by executing in the place provided below and returning to the undersigned.

Very truly yours,

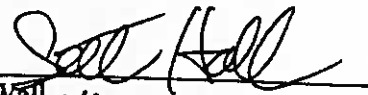
*Agreed to & Accepted by:*

**Aero Mechanical Industries, Inc.**

Nicolas Finazzo  
Chief Executive Officer

\_\_\_\_\_  
Mark Ozenick  
President & CEO  
Date:

**Newport Aviation, Inc.**

By:   
Seth Wall  
President  
Date: MARCH 31, 2015